Office of the Commissioner of Lobbying of Canada

2011-12

Departmental Performance Report

The Honourable Tony Clement, PC, MP
President of the Treasury Board

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Message from the Commissioner of Lobbying

I am pleased to present the 2011-12 Departmental Performance Report for the Office of the Commissioner of Lobbying. My mandate is set out in the *Lobbying Act* and covers three areas of activity: maintaining a registry of lobbyists that is accessible to Canadians; fostering greater awareness of the requirements of the *Lobbying Act* through education and outreach; and ensuring compliance with the legislation and the *Lobbyists' Code of Conduct*.

The *Lobbying Act* is based on the premise that lobbying is legitimate and must be conducted in a transparent manner. The Registry of Lobbyists continues to be the primary instrument for the public disclosure of lobbying activities at the federal level. The Registry of Lobbyists allows Canadians to know who is lobbying federal public office holders and about which topics. Since I became Commissioner, I have improved the system to make it easier for lobbyists to comply with registration requirements. In 2011-12, I focused our efforts on improving the search and reporting capacity of the Registry. This work will conclude in 2012-13, when new search and reporting tools will be launched. The additional tools and features to be implemented next year will represent the greatest improvement to the usability of the system since its creation.

I have long believed that awareness of the *Lobbying Act*'s requirements is key to compliance with the Act. My staff and I regularly meet with lobbyists, elected officials and their staff, and senior managers of the federal public service to ensure that they understand the requirements of the *Lobbying Act* and the *Lobbyists' Code of Conduct*. My website is also an important outreach tool. This year, I launched an improved website that makes it easier for visitors to find the information they need among the broad range of resources available on the Canadian lobbying regime.

I am pleased to report significant achievements with respect to the enforcement of the *Lobbying Act*. This year, five Reports on Investigation were tabled in Parliament. In these reports, I found that seven lobbyists had breached the *Lobbyists' Code of Conduct*. Breaches of the *Lobbyists' Code of Conduct* do not result in fines or jail penalties. I believe, however, that by publicly exposing wrongdoing, the subjects of the reports are deterred from repeating the offence. It also provides all lobbyists with an incentive to comply with both the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

This year, the House of Commons Standing Committee on Access to Information, Privacy and Ethics undertook a statutory review of the *Lobbying Act*. I appeared twice before the Committee to present and explain my recommendations for amendments to the legislation. The amendments I recommended are primarily intended to improve transparency of lobbying activities and to enable me to enforce the legislation more decisively. I look forward to continuing to work with Parliament to improve the legislation.

Karen E. Shepherd
Commissioner of Lobbying

Section I: Organizational Overview

Raison d'être

The Office of the Commissioner of Lobbying (OCL) supports the Commissioner of Lobbying, the Agent of Parliament responsible for the administration of the *Lobbying Act* (the Act). The legislation seeks to ensure that interactions between lobbyists and federal public office holders are transparent and ethical with a view to increasing the confidence of Canadians in the integrity of government decision-making.

Responsibilities

The Commissioner of Lobbying is responsible for the administration of the *Lobbying Act*. The authority of the Commissioner is derived from the Act.

The mandate of the Commissioner is threefold:

1. Establish and maintain the Registry of Lobbyists, which contains and makes public the information on the activities disclosed by lobbyists;

2. Develop and implement educational programs to foster public awareness of the requirements of the Act; and

3. Conduct administrative reviews and investigations to ensure compliance with the Act and the *Lobbyists' Code of Conduct* (the Code).

Under the Act, the Commissioner of Lobbying has the authority to grant exemptions to former designated public office holders who are subject to a five-year prohibition on lobbying activities.

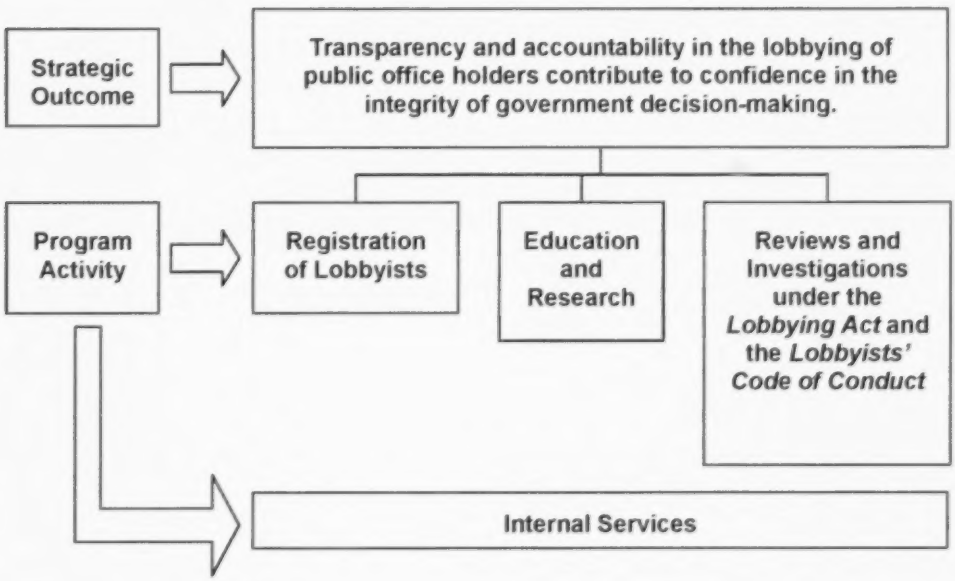
The Commissioner reports annually to Parliament on the administration of the Act and the Code. The Commissioner is also required to submit Reports on Investigation for tabling in Parliament, which include her findings, conclusions and the reasons for her conclusions.

Strategic Outcome and Program Activity Architecture

In order to effectively pursue its mandate, the OCL aims to achieve the following strategic outcome:

Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

The Program Activity Architecture (PAA) for the OCL is its basis for reporting to Parliament. The PAA reflects how the OCL allocates and manages the resources under its control to achieve its intended outcome.


Strategic Outcome
Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.
Program Activity
Registration of Lobbyists
Education and Research
Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*
Internal Services

Organizational Priorities

Summary of Progress Against Priorities

Priority	Type	Program Activity
Maintain the Lobbyists Registration System	Ongoing	Registration of Lobbyists

- The Registry of Lobbyists is searchable online 24 hours a day, seven days a week, at no cost, providing Canadians with access to information related to lobbying activities directed at the federal government.
- In 2011-12, the OCL implemented new client service standards and achieved its target of processing registrations within three business days 100% of the time. These efficient turnaround times strengthen transparency by ensuring the information in the Registry of Lobbyists is up to date.
- A new version of the Registry of Lobbyists was launched in March 2012 that is fully compliant with Web Content Accessibility Guidelines (WCAG) 2.0 to ensure that it is accessible to persons with disabilities, especially those with visual impairments.

Priority	Type	Program Activity
Raise awareness of the requirements of the *Lobbying Act* and the *Lobbyists' Code of Conduct*	Ongoing	Education and Research

- In 2011-12, the Commissioner and her staff met with nearly 800 individuals, including lobbyists, public office holders, parliamentarians and their staff, and academics.
- The Commissioner appeared three times before the House of Commons Standing Committee on Access to Information, Privacy and Ethics to present and discuss her recommendations for amendments to the *Lobbying Act* and to answer questions about the OCL's Main Estimates.
- The OCL launched an improved website that facilitates navigation by users. The new website, like the new version of the Registry, is fully compliant with WCAG 2.0.

Priority	Type	Program Activity
Pursue enforcement of the *Lobbying Act* and the *Lobbyists' Code of Conduct* and communicate the results	Ongoing	Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

- The OCL monitored media and other publicly available information, verified the accuracy and completeness of communication reports submitted by registrants, conducted administrative reviews of all suspected or alleged non-compliance, provided reports of findings and recommended suitable means of ensuring compliance to the Commissioner.
- The OCL conducted investigations and prepared reports of findings about individuals deemed to have committed a breach of the *Lobbyists' Code of Conduct*. In 2011-12, the Commissioner suspended and referred one file to the RCMP. Five Reports on Investigation were submitted for tabling in Parliament.
- The OCL conducted reviews of applications for exemption from the five-year prohibition on lobbying for former designated public office holders and presented recommendations to the Commissioner.
- Results of monitoring and compliance activities were communicated in various ways, including: advisory letters to corporations and organizations who may be engaged in registrable activity but are not registered; correspondence to complainants and respondents

at the conclusion of administrative reviews; correspondence with the subjects of an investigation when giving them an opportunity to present their views; Reports on Investigation tabled in Parliament by the Commissioner; and testimony provided by the Commissioner before Parliamentary Committees.

Priority	Type	Strategic Outcome
The OCL continuously strengthens its management capacity by improving its reporting instruments, such as the Performance Measurement Framework, Corporate Risk Profile, Integrated Business and Human Resources Plan, and Information Management/Information Technology Strategic Plan.	Ongoing	Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making

- The OCL completed a Strategic and Operating Review in support of the government-wide spending review by identifying initiatives to improve the productivity, efficiency and effectiveness of operations and service delivery to transform its business practices and to identify savings.

- An internal audit of internal controls over financial reporting for selected expenditures was completed. A Management Action Plan was prepared to ensure all recommendations made by the auditor are addressed in a timely manner.

- The business planning process was further strengthened in 2011-12 through regular management discussions and oversight, including an extensive review of financial and non-financial information to assess progress against priorities at mid-year.

Priority	Type	Strategic Outcome
The OCL continues to increase its organizational learning capacity and improve its adaptation to change, notably changing demographics. This includes efforts to ensure that its workforce continues to reflect the diversity of the Canadian population.	Ongoing	Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making

- Preparation for the realignment of some of OCL internal services was undertaken in 2011-12; it will be completed in 2012-13. The realignment was based on a review of the existing Human Resources (HR) complement and competencies, with a view to strengthening the organization's financial management and program evaluation capacity.

- In addition to extensive investments in support of more effective HR planning, efforts have continued to ensure appropriate professional development is taking place to support the organization's requirements, particularly as they support the Commissioner's mandate.

- As an employer that values diversity in its workforce, OCL continually encourages candidates in all staffing processes to self-identify as members of designated groups: women, visible minorities, Aboriginal peoples and people with disabilities.

Risk Analysis

The OCL established and maintains the Lobbyists' Registration System (LRS). The OCL shares the challenges of any office charged with maintaining a large-scale registry in terms of access as well as accuracy and timeliness of disclosure while ensuring registrant compliance and system integrity. The LRS is a complex system that continually requires monitoring, maintenance and improvements. There are two main risks associated with maintaining the Registry.

First, there is a risk that the LRS is not available to registrants or the public. The OCL strives to ensure that the LRS is continually accessible to registrants so that the goal of transparency of lobbying activities can be achieved. Therefore, the OCL minimizes registration delays by preventing system interruptions. Measures have been put in place to protect the Registry and ensure its availability to registrants and the public. In the unlikely event that the Registry does shut down, these measures ensure that the recovery time is kept to a minimum.

Second, there is a risk that the Registry may contain inaccurate data. The Act requires that registrants disclose certain communications involving designated public office holders, e.g. ministers, ministerial staff, deputy ministers, Members of Parliament and Senators. Registrants fulfill this reporting requirement by directly submitting the information online. The OCL regularly educates lobbyists and designated public office holders on how to avoid reporting errors. Lobbyists can amend incorrect communication reports on their own. The overall accuracy of monthly communication reports is monitored through a sampling of the reports every month.

Aside from risks associated with the Registry, there is also a risk that the Commissioner's decisions with respect to administrative reviews, investigations and applications for exemption may be subject to judicial review by the Federal Court. The OCL conducts monitoring activities, administrative reviews and investigations to ensure compliance with the Act and the Code. It also reviews applications for exemption from the five-year lobbying prohibition for former designated public office holders. All reviews and investigations conducted by the OCL are fair, thorough and well-documented, to ensure that they will withstand court scrutiny during judicial review. It is possible that judicial review decisions could affect the Commissioner's ability to complete investigations in a timely manner.

The OCL also faces risks inherent to small agencies. The OCL relies on other federal organizations for most of its corporate services, including information technology, human resources management and financial services. Service agreements with providers are carefully monitored and revised periodically to ensure that all practices and services are consistent with OCL requirements, standards, and internal controls. An Audit and Evaluation Committee (AEC) supports the Commissioner in her role of deputy head. The AEC is an independent advisory committee that provides objective advice and recommendations regarding the organization's risk management, control and governance frameworks and processes. The Committee also exercises oversight of core areas of management, control and accountability, including reporting.

Summary of Performance

2011-12 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
4,637	5,083	4,862

2011-12 Human Resources (Full-time Equivalents— [FTEs])

Planned	Actual	Difference
28	26	2

Progress Toward Strategic Outcome

Strategic Outcome: Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

Performance Indicator	Target	2011-12 Performance
The level of compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*.	100%	Through interactions with stakeholders (lobbyists, public office holders, the media, and the public), a deeper understanding and a greater awareness of the requirements of the *Lobbying Act* was observed. This, in turn, results in a high level of compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

Performance Summary, Excluding Internal Services

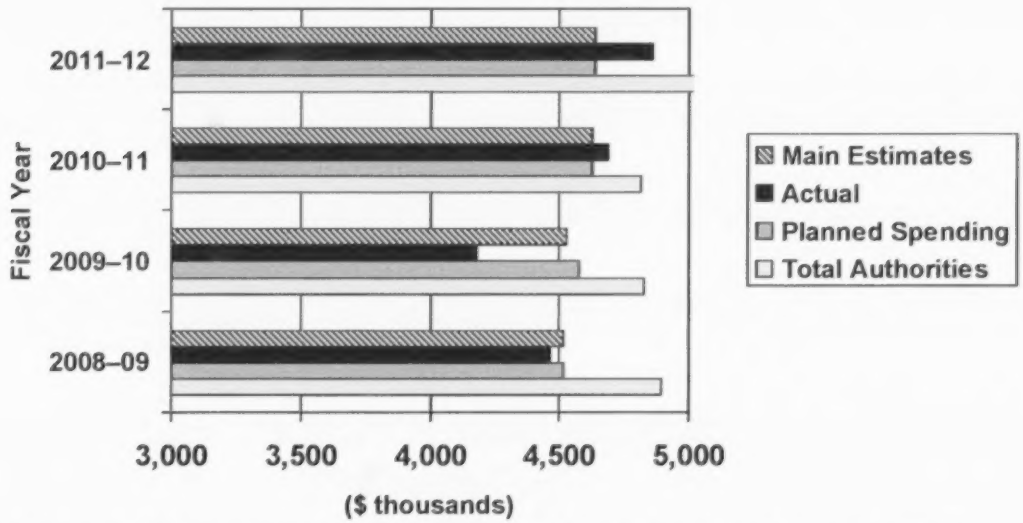
Program Activity	2010-11 Actual Spending	2011-12 ($ thousands)				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Registration of Lobbyists	1,082	1,072	1,072	1,058	1,038	An accountable, transparent, and responsive government
Education and Research	927	916	916	993	940	An accountable, transparent, and responsive government
Reviews and Investigations under the *Lobbying Act*	946	1,137	1,137	1,134	1,106	An accountable, transparent, and responsive government
Total	2,955	3,125	3,125	3,185	3,084	

Performance Summary for Internal Services

Program Activity	2010-11 Actual Spending	2011-12 ($ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	1,731	1,512	1,512	1,898	1,778

Expenditure Profile

Spending Trend



Over the years, the only changes made to OCL's reference levels have been to adjust for compensation due to signed collective agreements and related adjustments to the Employee Benefits Plan.

In 2011-12, the increase between Main Estimates and Total Authorities is due to the reimbursement from Treasury Board central vote for expenditures related to employees exercising their option for the severance liquidation payments as per the new severance pay provisions in some collective agreements, as well as the receipt of the operating budget carry forward.

The increase in 2011-12 in actual spending in comparison to 2010-11 is primarily related to severance liquidation payments.

Estimates by Vote

For information on the Office of the Commissioner of Lobbying's organizational Votes and/or statutory expenditures, please see the Public Accounts of Canada 2012 (Volume II). An electronic version of the Public Accounts 2012 is available on the Public Works and Government Services Canada's website.[1]

[1] See Public Accounts of Canada, 2012, http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html.

Section II: Analysis of Program Activities by Strategic Outcome

Strategic Outcome:

Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

The following section describes each of the program activities of the Office of the Commissioner of Lobbying (OCL) and outlines their expected results, performance indicators and targets. It presents the financial and non-financial resources that were dedicated to each program activity and how they contributed to the OCL meeting its expected results.

The program activities include:

- Registration of Lobbyists;
- Education and Research;
- Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*; and
- Internal Services.

Program Activity 1: Registration of Lobbyists

Program Activity Description

Lobbying the federal government is a legitimate activity but it must be done transparently. The *Lobbying Act* (the Act) requires that individuals who are paid to lobby public office holders must disclose certain details of their lobbying activities. The OCL approves lobbyists' registrations and makes them available for searching in an electronic registry that is accessible on the Internet.

2011-12 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
1,072	1,058	1,038

2011-12 Human Resources (Full-time Equivalents [FTEs])

Planned	Actual	Difference
6	6	–

Expected Results	Performance Indicators	Targets	Actual Results
Lobbyists can register in accordance with the requirements of the *Lobbying Act*.	Percentage of registrations that are processed in accordance with client service standards.	100% of registrations received are processed in accordance with client service standards.	100% of registrations were processed in accordance with client service standards.
Canadians have access to information about lobbyists and lobbying activities.	Online availability of the Registry of Lobbyists.	The Registry of Lobbyists is available to the public 95-98% of the time.	The Registry of Lobbyists was available to the public 97.5% of the time.

Performance Summary and Analysis of Program Activities

The OCL implemented a client service standard in 2011-12 to process registrations within three business days and attained its target of processing 100% of registrations within this service standard. A quality assurance review of the information contained in registrations confirmed that data quality continues to be high.

The OCL established an advisory group to advance the project of improving search and reporting tools for the Registry of Lobbyists. The OCL surveyed users of the Registry, including lobbyists, public office holders and representatives of the media. Information gathered during this survey and through focus groups will guide the development of improved search and reporting tools, to be launched in 2012-13.

Although an internal audit of the Lobbyists Registration System was included in the OCL Multi-Year Audit Plan, this was postponed until 2012-13 due to workload.

Lessons Learned

Transparency in the lobbying of public office holders is strengthened by quick turnaround times in the processing of lobbyist registrations. That is why the OCL put in place a

service standard to process registrations within three business days, 100% of the time. OCL met this target in 2011-12.

Transparency is enhanced when the Registry of Lobbyists is accessible and easy to use by Canadians. It is for this reason that measures were taken to make the Registry of Lobbyists fully compliant with Web Content Accessibility Guidelines (WCAG) 2.0. The OCL also undertook a project to improve the Registry's search and reporting tools, which will become available in 2012-13.

Program Activity 2: Education and Research

Program Activity Description

The OCL develops and implements educational and research programs to foster awareness of the requirements of the *Lobbying Act* (the Act) and the *Lobbyists' Code of Conduct* (the Code). The primary audiences for programs are lobbyists, their clients and public office holders.

2011-12 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
916	993	940

2011-12 Human Resources (Full-time Equivalents [FTEs])

Planned	Actual	Difference
7	7	–

Expected Result	Performance Indicator	Target	Actual Result
Lobbyists, their clients, public office holders and the public are aware of the scope and requirements of the *Lobbying Act*.	Awareness of the Act on the part of lobbyists, their clients, public office holders and the public is medium to high.	80% say that their awareness is medium to high.	No survey to measure awareness levels was conducted this year. However, the vast majority of the 800 participants at outreach meetings and presentations indicated a high level of awareness and understanding of the Act. OCL did, however, administer a survey to measure the effectiveness of OCL's outreach tools.

Performance Summary and Analysis of Program Activities

In 2011-12, the Commissioner and her staff met with nearly 800 individuals, including lobbyists, public office holders, parliamentarians and their staff, and academics. A number of media interviews were also granted by the Commissioner. Information sessions and meetings with individual and groups of lobbyists foster an in-depth understanding of legal and ethical requirements of the lobbying regime. These meetings also allow the OCL to identify where further clarification is required to facilitate registration and ensure compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*. Likewise, targeted communications with public office holders allow the OCL to raise their awareness of the legislation, particularly with respect to their specific obligations. Such communications included:

- meetings with a number of ministers, with a focus on the most-lobbied departments;
- reviews of educational material relating to the *Lobbying Act* offered through the Canada School of Public Service; and

- presentations to communities of practice such as the Interdepartmental Network on Values and Ethics.

The OCL did not administer a survey to measure the awareness levels of lobbyists, their clients, public office holders and the public. However, examination of multiple lines of evidence suggests that awareness of the scope and requirements of the *Lobbying Act* is improved by the many educational activities of the OCL. The depth and complexity of questions asked of the Commissioner and OCL staff during outreach presentations indicated that knowledge of the Act and the Code is high for the vast majority of those attending presentations. In addition, targeted outreach events, advisory letters sent to potential registrants, one-on-one information sessions with lobbyists, the publication of Reports on Investigation tabled in Parliament and the growing media coverage all contribute positively to awareness levels of those who need to understand the regulatory regime.

In May 2011, the OCL conducted a survey to measure the effectiveness of its outreach tools, with a view to understanding which tools were working well and which ones required improvements. In total, 428 individuals responded, including lobbyists, public office holders, academics and media, and they provided information relating to such tools as the guide to registration, multi-media tools, outreach presentations and the website. Survey results indicated that while there was satisfaction with many of the tools available (in particular direct communications with OCL registration staff who offer telephone, email, and in-person assistance), there was some frustration with certain tools, such as the website.

The improved website was launched in February 2012, and feedback thus far has been positive. The website addresses concerns raised in the survey around navigation, and also is fully compliant with Web Content Accessibility Guidelines (WCAG) 2.0. These guidelines ensure access to the information on the website for persons with disabilities, in particular the visually impaired.

Lessons Learned

A key component of the OCL mandate is to assist lobbyists and federal public office holders understand the requirements of the Act and the Code. This is important to ensuring a culture of compliance is created. The OCL will continue to reach out to lobbyists, public office holders and the general public in 2012-13, to build on the successes of the past few years in this area.

Publishing the results of investigations and the resulting publicity contribute to demonstrating that there are consequences to non-compliance, which serves as an incentive for all lobbyists to comply with the Act and the Code.

Ensuring that the OCL is reaching those who need information most is central to improving compliance. The OCL will focus on improving its outreach processes and developing clear criteria to better identify stakeholders in need of outreach.

Program Activity 3: Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

Program Activity Description

The Office validates information provided by registered lobbyists to ensure accuracy. Allegations of non-registration or misconduct by lobbyists are reviewed and formal investigations are carried out when required.

2011-12 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
1,137	1,134	1,106

2011-12 Human Resources (Full-time Equivalents [FTEs])

Planned	Actual	Difference
9	7	2

Expected Results	Performance Indicators	Targets	Actual Results
Suspected, alleged or known breaches of the *Lobbying Act* and the *Lobbyists' Code of Conduct* are reviewed or investigated and appropriate measures taken to ensure compliance.	Percentage of suspected, alleged or known breaches of the Act or Code that are subject to review or investigation.	100% of suspected, alleged, or known breaches are subject to review or investigation.	100% of suspected, alleged or known breaches were subject to review or investigation.
Exemptions from the five-year prohibition are granted or denied in a manner consistent with the purposes of the *Lobbying Act*.	Percentage of exemption reviews completed in compliance with service standards.	100% of exemption reviews are completed in compliance with service standards.	100% of exemption reviews were completed within established service standards.

Performance Summary and Analysis of Program Activities

Reviews and Investigations

Compliance with the legislative and ethical requirements ensures the public that lobbying activities are transparent and conducted in an ethical manner.

This is the first year that the review and investigation file caseload was reduced by completing more files than were commenced. The OCL's caseload of administrative review files was reduced from 53 to 41 files. The caseload of investigation files was also reduced from 11 to eight files.

Eighteen administrative reviews and three investigations were opened. Thirty administrative reviews were completed and reports submitted recommending suitable compliance measures. Five Reports on Investigation were submitted for tabling in Parliament.

One investigation of an alleged offence under the *Lobbying Act* was suspended and the file was referred to the RCMP for investigation.

Confirming the accuracy of monthly communication reports
Letters were sent to 109 designated public office holders (DPOHs) requesting that they verify the accuracy and completeness of 567 monthly communication reports submitted by lobbyists. Respondents identified a total of 44 errors, more than half of which were clerical in nature. Communicating with DPOHs serves to educate them about the reporting requirements lobbyists must meet. The OCL advised registrants of errors and instructed them on how to amend or delete incorrect entries. This helps improve the quality of data in the Registry.

Exemption reviews
The five-year prohibition on lobbying is intended to prevent former high-level decision-makers from using advantages and personal connections for lobbying purposes. On application, the Commissioner may exempt an individual from the five-year prohibition if to do so would not be contrary to the purposes of the Act.

The OCL conducted exemption reviews involving research, interviews and analysis, and provided the Commissioner with reports and recommendations to facilitate decision-making.

Six applications for exemption were reviewed during the 2011-12 fiscal year. Four reviews were completed. Two applications were denied and one exemption granted. One applicant was deemed ineligible for exemption. All reviews were completed in accordance within timelines set out in the OCL exemption review service standards. Every exemption that has been granted by the Commissioner is posted on the OCL website.

Case management
Administrative reviews and investigations are completed in a timely and efficient manner when case files are properly planned, tracked and reported. The OCL took steps to document workflows and key decision points in anticipation of the adoption of a new case management system. A review of all completed administrative reviews, exemption reviews and investigations was undertaken to verify the accuracy of dates and information related to case files.

The OCL joined a cluster of small agencies in an effort to procure a suitable case management system. The cluster is expected to deliver a system in 2012-13.

Lessons Learned

A consistent approach to capturing and reporting data about administrative reviews and investigation files (date opened, date closed, allegation, outcome, compliance measure) is essential to ensure the accuracy of reports and to facilitate planning and prioritization of files. A review of all completed administrative reviews, investigations and exemption reviews uncovered minor inconsistencies in past reporting processes. The documentation of key information and decision points for each file has been improved to ensure consistency and promote confidence in the integrity of data when reporting on OCL caseload.

A sound process for documenting OCL investigative activities ensures that administrative reviews and investigations are conducted in a fair, thorough and consistent manner. A procedures manual was written to provide staff with guidelines for conducting administrative reviews and investigations. It will be updated regularly.

Monitoring of lobbyists who have been the subject of administrative reviews and investigations is important to ensure compliance. The OCL will continue to focus on compliance verification and monitoring activities in an effort to proactively address recurring transgressions and deter non-compliance.

Program Activity 4: Internal Services

Program Activity Description

Internal Services are activities that support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

2011-12 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
1,512	1,898	1,778[2]

2011-12 Human Resources (Full-time Equivalents [FTEs])

Planned	Actual	Difference
6	6	–

Performance Summary and Analysis of Program Activities

In 2011-12, the OCL completed a Strategic and Operating Review (SOR) in support of the government-wide spending review. As a result, a number of initiatives were identified to improve the productivity, efficiency and effectiveness in all areas of operations, including internal services. The review provided a better understanding of strengths and areas for improvement across the organization.

As a result of the SOR, the OCL will undertake to reorganize its internal services in 2012-13. The objective of this realignment will be to strengthen the organization's capacity in the areas of financial management and analysis, and program evaluation. The realignment was based on a review of the existing Human Resources (HR) complement and competencies, with a view to strengthening the organization's financial management and program evaluation capacity. Greater capacity in financial management is necessary to meet the growing accountability and reporting requirements the organization is facing, particularly as an Agent of Parliament. The OCL is also in the process of implementing a program evaluation function and specific competencies are required in this area to comply with the program evaluation policy.

In addition, an internal audit of internal controls over financial reporting for selected expenditures was completed. A Management Action Plan was prepared to ensure all recommendations made by the auditor are addressed on a timely basis.

The business planning process continues to provide an opportunity to undertake regular management discussions. The revised governance structure put in place in 2010-11

[2] The variance between the planned and actual spending is primarily due to costs incurred to implement the Digital Office Pilot Project and the expenses related to the severance liquidation payments.

strengthened the management oversight of operations. In addition to monthly financial reviews and adjustments to financial forecasts, a comprehensive review of financial and non-financial information is undertaken at mid-year to assess progress against annual priorities and ensure appropriate corrective actions are implemented as required.

The OCL's Audit and Evaluation Committee (AEC), an independent advisory committee, continues to provide strong oversight over the organization's management and operations. Composed of external members, it is an effective venue for the Commissioner and her management team to receive advice and recommendations regarding a broad range of issues related to audit, program evaluation, financial management, internal controls, risk management and other governance-related frameworks and processes.

In addition to investments in support of more effective HR planning, efforts have continued to ensure appropriate professional development of OCL staff is taking place to support the organization's requirements, particularly as they support the Commissioner's mandate.

The OCL contributes to the Greening Government Operations targets through the Internal Services program activity. In 2011-12, progress was made towards implementing GCDocs, an electronic document management system, which is part of the Digital Office Pilot Project. For additional details on the OCL's Greening Government Operations activities, including the Digital Office Pilot Project, please see the List of Supplementary Information Tables in Section III.

Lessons Learned

Effective governance and management capacity are essential for the Commissioner of Lobbying and her Office to deliver on her growing accountabilities as Deputy Head of a federal organization. This is particularly critical in an environment increasingly characterized by fiscal constraints on the one hand, and increasing demands for reporting and accountability on the other.

The OCL will continue to address existing and emerging challenges by strengthening its internal control and management capacity. It must also continue to review its spending in light of the Commissioner's mandate to look for initiatives to improve productivity and effectiveness of operations. In the context of a mandate set by legislation and growing reporting requirements, the continual transformation of business practices appears to be the most promising avenue to achieve the necessary productivity gains and expenditures savings to meet growing reporting requirements.

Section III: Supplementary Information

Financial Highlights

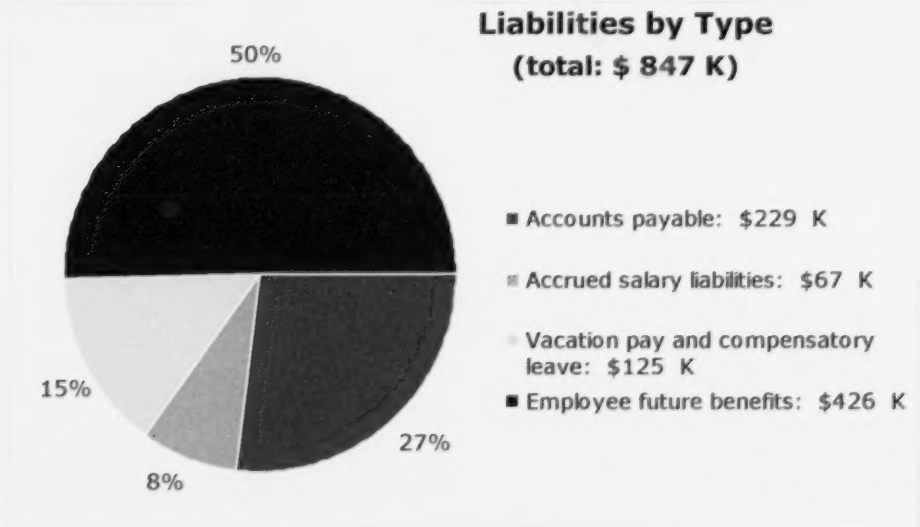
Condensed Statement of Financial Position (Unaudited)
As at March 31, 2012

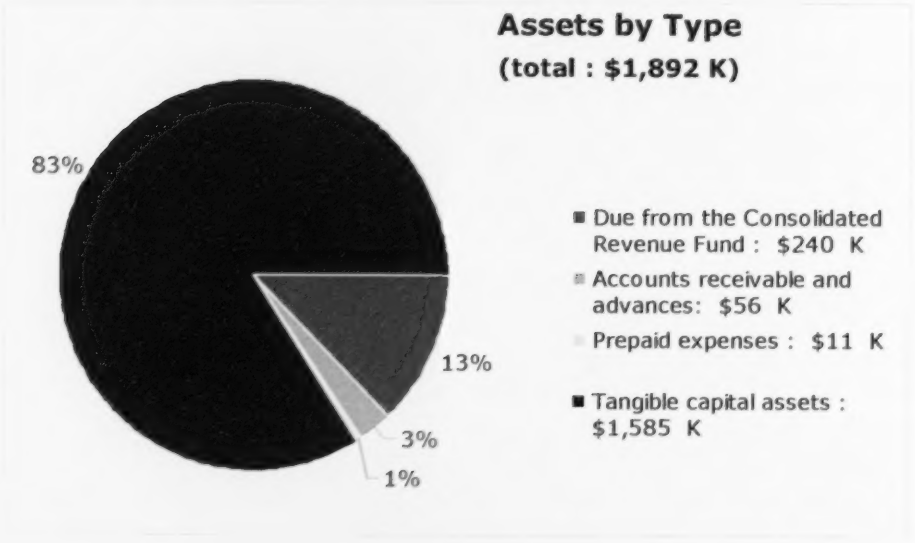
	Change %	2011-12 ($ thousands)	2010-11 ($ thousands)
Total liabilities	(3)	847	869
Total financial assets	42	296	208
Net debt	(17)	551	661
Total non-financial assets	(3)	1,595	1,636
Net financial position	7	1,044	975

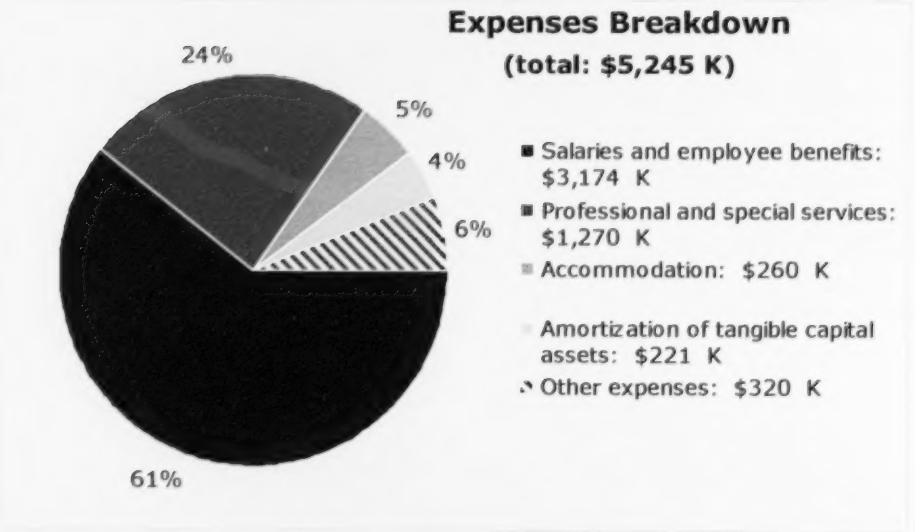
Condensed Statement of Operations and Net Financial Position (Unaudited)
For the Year ended March 31, 2012

	Change %	2011-12 ($ thousands)	2010-11 ($ thousands)
Total expenses	(1)	5,245	5,277
Total revenues	–	–	–
Net cost of operations before government funding	(1)	5,245	5,277
Net financial position	7	1,044	975

The following charts illustrate the breakdown of OCL's liabilities, assets and expenses in 2011-12.







Financial Statements

The OCL's unaudited financial statements can be found on the OCL website.[3]

[3] **See**: http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00673.html.

List of Supplementary Information Tables

Electronic supplementary information tables listed in the 2011-12 Departmental Performance Report can be found on the OCL website.[4]

- Greening Government Operations
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits

[4] **See**: http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00670.html.

Section IV: Other Items of Interest

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